

Federal Communications Commission
Docket# 12-375
ITS comments
11-08-2014

Dear Commissioners,

I have been involved in the ITS industry for over 10 years. During the first quarter of this year, my company divested itself of the ITS portion of our business in no small part due to impending regulation by the FCC. It appeared to me that just meeting the reporting requirements would place a significant burden on a small business such as mine. Fortunately, I was able to transfer the ITS portion of my company to a larger entity and secure positions for all of my employees with that company.

Up until this point I've not submitted any public comments regarding the regulations set forth by this body pertaining to ITS services. I've not involved myself as others have because I did not think it would do any good. This body seems intent on imposing its ideological will on the ITS industry all while pretending to understand the industry and be fair to all parties involved. With recent indications that the FCC intends to eliminate site commission payments and regulate in-state ITS calling, I feel as though I must respond.

First, I believe that the FCC has no jurisdictional authority to regulate in-state ITS calling. Intrastate ITS calls are regulated by the State Public Service Commissions or Utility Commissions. Second, I don't see how the FCC believes they have the power to regulate site commissions and interject themselves into private contracts or agreements between local governments and private telecom companies. Although both of these concerns will be a matter for the courts to ultimately decide, I would think that the FCC would want to be sure its actions are legal and within the scope of its jurisdiction before subjecting the taxpayers and an entire industry to even more costly legal challenges.

Furthermore, I believe the FCC fails to understand the true costs of providing ITS services and the fact that site commissions provide a much needed source of funding for county jails and sheriff's departments. I feel the Commission has overlooked the high cost of repairs due to incarcerated individuals abusing the telephone instruments, and the ever increasing technology needed to compete in this industry. Many departments purchase vehicles and other essential equipment from commission revenues obtained from inmate telephones and commissary services. Without this funding, county governments would be forced to raise taxes or find additional revenues to pay for such items.

With all this said, I do however believe that some regulation in this industry is needed. I used to tell people that I've met more crooks in the ITS industry than I ever locked up on the streets while working in law enforcement. Although that's an exaggeration, the fact remains that there are some dishonest practices performed by some in this industry. I've spent several years attempting to educate county sheriff's and jails about many of the commission revenue games played in this industry. Many agencies are duped into believing they are receiving a certain commission rate which in fact they aren't due to hidden non-commissionable fees. Some of this has come to light recently and I believe this problem can

best be solved through education or by regulation at the State level- and not by the FCC eliminating site commissions.

The Commission has gone far enough already in my opinion. The interstate calling rates have been dramatically lowered and I believe that is a good place to stop. You've done your part. I would however encourage you to revisit the reprieve granted to at least one ITS company in allowing them to charge a significantly higher interstate rate than the capped limits set earlier this year. From my understanding, that same company no longer pays commissions on interstate calls. So in your regulation, you've already created an unfair market advantage for at least one company. I would also suggest that you set the safe harbor interstate ITS rate to the \$0.21 prepaid rate and \$0.25 collect rate this body previously established as the maximum allowed rates, and mandate all ITS providers abide by those rates.

In closing, I would like to impart on this body another viewpoint which I believe the Commission has failed to look at. I believe the Commission views the ITS industry as "the bad guys" and that by reducing ITS rates to next to nothing achieves social justice. It does not. The Commission's own findings report a high recidivism rate among incarcerated persons. Maybe if these individuals had a little less contact with their negative influences on the outside while incarcerated this trend might decrease. I would also point out that in my personal observations over many years I've seen no shortage of incarcerated individuals making phone calls and getting commissary items. These individuals always seem to have the funds to call their friends and family and to buy their candy bars and soft drinks- but they never seem to have the funds to pay restitution to their victims, or pay their court costs. Maybe the Commission should rethink its idea of social justice.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Ed Benson', written in a cursive style.

Ed Benson
President,
EagleTel, Inc.